



Important 2021 IRS Update

FORM 1099-NEC

(Nonemployee Compensation)



IRS UPDATE for tax year 2021: 1099-NEC now 3 forms per page.

For tax year 2021, the IRS has redesigned Form 1099-NEC to three forms per page, as compared to the previous year where it was constructed of two forms. Due to this change, **a new envelope will be required for distributing recipient copies.**

We encourage you to prepare early. Additional envelopes or forms may be needed. There will be extra work involved with this change.

See below for more information and requirements.

Form 1099-NEC Information & Requirements

As of tax year 2020, nonemployee compensation typically reported on Form 1099-MISC (Box 7 - nonemployee compensation), is now required to be reported on Form 1099-NEC (Box 1). **The Internal Revenue Service (IRS) and various states are requiring this form to be filed by the effective deadline, January 31, 2022.**



The IRS estimates that **70% of all 1099-MISC filings will require Form 1099-NEC.**



Over **99 MILLION** 1099-MISC forms were filed annually according to the latest statistics.



This translates to an estimated **70 MILLION 1099-NEC filings for tax year 2020.**

Form 1099-NEC Requirements



Form 1099-MISC Is Required

For tax year 2021, filing 1099-MISC to the IRS and various states is still mandatory for reporting other types of income.



State Requirements

Over 30 states have confirmed that they are supporting Form 1099-NEC. Reporting requirements and deadlines vary by state.



Required Reprogramming

Contact your software provider to ensure compatibility and updates to support the new 1099-NEC.



Federal Requirements

Federal reporting is required. The IRS has set an effective filing due date of **January 31, 2022** for Form 1099-NEC.

1099-NEC forms are now 3up and use a 3up envelope (see reverse side)



Call with Questions 866-929-2252
 Visit www.TaxCalcUSA.com

If you had been using box 7 on form 1099-MISC to report NonEmployee Compensation, starting in 2020 you need to use the 1099-NEC form to report NonEmployee Compensation. Because the form is now 3up, some item #'s have also changed. Use the chart below to find the New form.

2019 1099-MISC Item	2020 1099-NEC Item	2021 1099-NEC Item	1099-NEC Item Description
2up Pre-Printed Laser Forms			
BMISFED05	BNECFED05	BNECFED05	1099-NEC 3up Federal Copy A
BMISREC05	BNECREC05	BNECREC05	1099-NEC 3up Recipient Copy B
BMISPAY05	BNECPAY05	BNECPAY05	1099-NEC 3up Payer Copy C
BMIS105	BNEC105	BNEC105	1099-NEC 3up Payer/State Copy 1
BMIS205	BNEC205	BNEC205	1099-NEC 3up Recipient State Copy 2
BMISB205	BNECB205	BNECB205	1099-NEC 3up Recipient Copies B/2
Blank Forms			
WONEPERFMI05 80014	WONEPERFNI05 NEC80014	B99PERFNI05 B99PERFNI05	Blank 1099-NEC 3up w/ Instructions on Top 2 Panels Blank 1099-NEC 3up w/ Instructions on Top 2 Panels
WONEPERF05	WONEPERF05	B99PERF05	Blank 1099-NEC 3up with No instructions on back
Blank Sets			
MISCSET305	NECSET305	NECSET305	1099-NEC 3up Blank 3 part Set
MISCSET405	NECSET405	NECSET405	1099-NEC 3up Blank 4 part or 5 part Set
Pre-Printed Sets			
MISCS305	NECS305	NECS305	1099-NEC Preprinted 3 part Set
MISCS405	NECS405	NECS405	1099-NEC Preprinted 4 part Set
MISCS505	NECS505	NECS505	1099-NEC Preprinted 5 part Set
Pre-Printed Kits with Envelopes			
MISCS3E	NECS3E	NECS3E	1099-NEC 3up Blank 3 part Kit with Self-Sealing Envelopes
MISCS3EG	NECS3EG	NECS3EG	1099-NEC 3up Blank 3 part Kit w/ Moisture Seal Envelopes
MISCS3TE	NECS3TE	NECS3TE	1099-NEC 3up Blank 3 part Kit w/ Tamper Evident Envelopes
MISCS4E	NECS4E	NECS4E	1099-NEC 3up Blank 4 part Kit with Self-Sealing Envelopes
MISCS4EG	NECS4EG	NECS4EG	1099-NEC 3up Blank 4 part Kit w/ Moisture Seal Envelopes
MISCS4TE	NECS4TE	NECS4TE	1099-NEC 3up Blank 4 part Kit w/ Tamper Evident Envelopes
MIS4E10	NEC4E10	NEC4E10	1099-NEC 10 People Set 4 Part w/ Moist Seal Envelopes
MIS4E25	NEC4E25	NEC4E25	1099-NEC 25 People Set 4 Part w/ Moist Seal Envelopes
MIS4E50	NEC4E50	NEC4E50	1099-NEC 50 People Set 4 Part w/ Moist Seal Envelopes

3up Envelopes for New 1099-NEC forms

99DWENV05	3up Double Window Envelope with Moisture Seal flap
99DWENV05S	3up Double Window Envelope with Self-Sealing flap
99DWENVSTE	3up Double Window Envelope with Self-Sealing Tamper Evident flap
99SWENV05	3up Single Window Envelope with Moisture Seal flap